

Human Resource Development

Basic Approach

The JXTG Group believes that an important challenge in the achievement of our growth strategy in a rapidly changing business environment is the development of creative, innovative human resources who can take on challenges on a global scale. Therefore, in addition to incorporating this belief into our Code of Conduct, we have established consistent systems for each phase of human resource development, including hiring, assignment, assessment, promotion, and training.

JXTG Group Code of Conduct (excerpt)

12. Establishment of a healthy work environment

- (1) We strive to enable all personnel to carry out their business operations in the workplace with vigor, and to enable ourselves, our families and our colleagues to lead healthy and cultured lives by promoting health care and work-life balance.
- (2) We promote diversity in order to enable diverse individuals to maximize their abilities.
- (3) We strive to secure and maintain a pleasant work environment through interactive dialogue and ongoing communication.
- (4) We strive to train our people, and seek to enhance the abilities of ourselves and others.
- (5) We shall obtain the necessary confirmation and approval from the appropriate person(s) with authority before we commence any religious activity, political activity, or any similar activities during work.

Structure

The Human Rights Promotion and Human Resource Development Committee is chaired by the officer (director) responsible for the Human Resources Department of JXTG Holdings, and has been established under the JXTG Group CSR Council, which is chaired by the president of JXTG Holdings.

The committee coordinates Group policy on human resource development, manages human resource requirements, and carries out discussion to foster a shared awareness of human resource development among Group companies.

As for specific measures concerning the development of human resources, each Group company conducts a development program tailored to its own business characteristics and suited to the aptitude of individual employees. The challenges and objectives of each Group company are addressed by the committee, and the PDCA cycle is implemented for the Group as a whole for effective human resource development.

For more about the structure, see p. 52.

Major Initiatives

JXTG Group

Development of future leaders

Candidates for future Group management positions are cultivated through rank-based training of selected personnel.

Promotion of measures linked to workstyle reforms

Proactive efforts are made with a variety of measures targeting workstyle reforms to create an environment for effectively nurturing diverse human resources.



Training for future Group management positions

JXTG Nippon Oil & Energy

Training by rank

Rank-based training and training to develop core human resources are implemented.

Overseas training for young employees

College graduates in their fourth or fifth year of employment with the company are sent overseas for about one month for training, which includes language study and fieldwork, in accordance with language skills.

Local staff training

Group training is implemented for local staff at overseas locations.

Promotion of career opportunities for female employees

Seminars are held to follow up with employees taking childcare leave, to raise awareness among supervisors, and to support the career development of female employees, etc.

Self-assessment interviews

Regular interviews are conducted in which we listen to employees' ambitions for long-term career design and skill development. This gives the company and supervisors a better understanding of employees' wishes, helping to ensure optimal assignment, relocation, and development of employees.

JX Nippon Oil & Gas Exploration

Training by rank

Rank-based training and training to develop core human resources are implemented.

Dispatch of young employees overseas

Young employees with several years of experience at the company are dispatched for three to six months to overseas offices and sites, where they focus on core learning themes to learn about the E&P business in the field while contributing to local operations.

Career development interviews

Employees are interviewed at key points in their careers to enhance the effectiveness of career development over the medium to long term, based on employees' own wishes and the needs of the company. Based on the results, the company offers support for every individual to take on new challenges in order to achieve their future vision for themselves.

Employee training programs

A total of 13 programs are offered throughout the year for young employees to educate them about E&P business technologies, contracts, and economic calculations. Training is led by in-house instructors using curriculum developed by the company.

JX Nippon Mining & Metals

Training by rank

Rank-based training and training to develop core human resources are implemented.

Overseas language training

All management-track employees in their second year at the company as well as other employees in need of language training are sent abroad to study English or other foreign languages for one to three months.

Career development interviews for young employees

Recognizing that human resources are the source of our organization's strength, regular human resources and division interviews with young employees are conducted as an effort to ensure the systematic development of these employees and enhance their proposal-making capabilities.

Energizing individuals and organizations

Efforts are made to strengthen human resource management and development, as well as establish an environment in which diverse human resources can work with enthusiasm.

Training Programs Implemented in Fiscal 2017

	Total training hours	Training hours per employee
JXTG Holdings	1,957	12.23
JXTG Nippon Oil & Energy	69,046	7.72
JX Nippon Oil & Gas Exploration	7,985	21.24
JX Nippon Mining & Metals	29,379	17.00
Total	108,367	9.66

Note: Number of hours of internal group training and external training organized by the human resources departments of JXTG Holdings and the Group's core operating companies, aggregated for each employer.

♥: Indicates the Group's top CSR priorities. Please see p. 9.

Initiatives to Develop Management Resources

With an eye on the future direction of its companies, the JXTG Group must work to more systematically and strategically develop management resources as the future leaders of the Group in order to address the rapid changes expected to take place in the management climate going forward.

As the development of these management resources is a challenge facing JXTG Holdings as well as its core companies, we will work together to identify employees qualified for management positions and provide comprehensive training to fully draw out their skills as future senior executives.

Specific Approaches to the Development of Management Resources

- Identify management resources using impartial and objective measures, taking into account the ideal candidates for senior management positions.
- Management resources are provided with growth opportunities by combining on-the-job training (inter-departmental transfers, challenging assignments, etc.) and off-the-job training (rank-based training in house, enrollment in business schools inside or outside of Japan, etc.) to enable them to acquire the necessary experience, knowledge and perspective required of future senior management. In addition, individual development plans are formulated for each of these processes.
- The Human Resource Development Committee examines the suitability of management resources in a multifaceted manner and implements the PDCA cycle for the development plan.

Dialogue Sessions with Management

JXTG Holdings and JXTG Nippon Oil & Energy jointly hosted dialogue sessions with management for around 900 general managers, deputy general managers and group managers across Japan.

The objective of these sessions was to foster mutual understanding by sharing roles expected of JXTG Group leaders and middle management through direct dialogue between officers and participants, as well as sharing values and issues through dialogue between employees of the same rank.

During the dialogue sessions with officers, senior management from both companies discussed a number of topics based on questions and opinions of participants. These topics included the company's future vision, organizational culture, business integration, and their own career experiences. In the dialogue sessions between participants, participants meeting each other for the first time exchanged opinions earnestly while discussing several different topics.



Dialogue session involving officers and middle management

Global Business Skills Training Designed for the Systematic Development of Global Human Resources

JXTG Nippon Oil & Energy offers global business skills training as part of its basic training programs. For this training, all employees who are college graduates in their fourth or fifth year with the company are sent for about a month to a Southeast Asian country, where they participate in activities such as conducting market research or attending language classes, depending on their language skills. In view of the anticipated overseas expansion of our business operations in the future, the objective of the training is not only the development of participants' language skills, but also the enhancement of their ability to adapt to foreign cultures.

All employees who are college graduates are required to take the TOEIC test every three years, and they are encouraged to continue learning English even after the completion of global business skills training.



Global business skills training

Development of Locally Hired Overseas Employees

JXTG Nippon Oil & Energy aims to boost the overseas expansion of its business operations by training locally hired overseas employees to become senior managers at its overseas sites.

To this end, the company conducts group training of managers and team leaders hired locally overseas. At training held for middle-management overseas staff in fiscal 2017,

participants learned about the mindset required of candidates for senior management positions at overseas sites and how to manage an organization.

In addition, the company launched an initiative in fiscal 2018 in which highly talented locally hired overseas employees are assigned to the JXTG Nippon Oil & Energy headquarters in Japan for several years to experience corporate operations firsthand.

Supporting Employees' Self Development

The JXTG Group has a self development support system to support employees with a desire to learn.

Voluntary Participation in Training

To support the self development of its employees, JXTG Nippon Oil & Energy offers open seminars in which employees can participate on a voluntary basis in accordance with their individual needs. Employees can also pursue self development outside of work hours through voluntary participation in company-supported language learning and correspondence courses.

Self-Innovation Support

In fiscal 2017, JX Nippon Mining & Metals launched a self innovation support program in which the company defrays half the amount of costs for self development suited to the needs of participating employees or the company.

With the progress of workstyle reforms, a growing number of employees are using their increased personal time for developing their skills. Given this trend, the company introduced this program with the goal of actively supporting employees who use their personal time for skill development.

The self development programs eligible for the company's matching contribution do not necessarily need to be directly related to the employee's current work. The fact that any program that contributes to the company's operations from a medium- to long-term perspective is eligible for the matching contribution provides even greater incentive to employees with a desire to learn.

JX Nippon Mining & Metals will continue to support employees with a desire to learn.